

CONSOLIDATED RAIL CORPORATION

APR 19 1996 -10 22 AM

ASSIGNMENT OF LEASE AND RENTS INTERSTATE COMMERCE COMMISSION

This ASSIGNMENT OF LEASE AND RENTS, dated as of April 19, 1996 ("Assignment"), is executed and delivered by ATEL CASH DISTRIBUTION Fund VI, L.P., a California limited partnership ("Assignor"), having an address at 235 Pine Street, 6th Floor, San Francisco, California 94104 to and for the benefit of AID ASSOCIATION FOR LUTHERANS ("Assignee"), having an address at 4321 North Ballard Road, Appleton, Wisconsin 54919.

Preliminary Recitations:

A. At or about the time of the delivery hereof, Assignor is borrowing a certain sum of money from Assignee pursuant to a Secured Note Purchase Agreement of even date herewith ("Note Purchase Agreement"), and in order to evidence such borrowing is executing and delivering its Secured Non-Recourse Note(s) (the "Note(s)"), all of which Note(s) are secured by, among other things, a Security Agreement executed and delivered by Assignor in connection with the issuance of the Note(s) (the "Security Agreement") and this Assignment.

B. The Security Agreement creates or will create a lien on the equipment described in Exhibit A thereto (the "Equipment"), and upon the right, title and interest of Assignor in and under that certain Railroad Equipment Lease dated as of September 29, 1995 (collectively, with all riders, schedules, exhibits and amendments, the "Lease"), between Assignor as lessor, and Consolidated Rail Corporation, a Pennsylvania corporation, as lessee (the "Lessee").

C. In order to induce Assignee to purchase the Note(s) and to accept the Security Agreement, Assignor is executing and delivering this Assignment to and for the benefit of Assignee.

Agreement:

1. Assignment.

(a) For value received, the receipt of which is hereby acknowledged, Assignor, as additional security for the payment of the principal of, premium, if any, and interest and all other sums payable on, the Note(s), and for the performance and observance of the provisions of this Assignment, the Note Purchase Agreement and the Security Agreement (collectively, the "Obligations"), has assigned, transferred, conveyed and set over, and by these presents does assign, transfer, convey and set over to Assignee all of Assignor's estate, right, title and interest

in, to and under the Lease, and any and all subleases of any of the Equipment, together with all rights, powers, privileges, options and other benefits of Assignor as lessor under the Lease, and as assignee of any sublease and/or owner of the Equipment, including, but not by way of limitation: (i) the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, moneys and security payable or receivable under the Lease or pursuant to any of the provisions thereof, whether as rents, Stipulated Loss Value, purchase price or otherwise (except sums payable directly to any person other than the lessor thereunder), all of which sums payable to Assignee pursuant to this clause (i) Assignor agrees shall be forwarded, in immediately available funds, directly by the Lessee to Assignee at the address set forth above (or at such other place or in such other manner as the holder of the Note(s) shall have designated to the Lessee in writing), (ii) the right to make all waivers, agreements and elections, (iii) the right to give all notices, consents and releases, (iv) the right to take such action upon the happening of an Event of Default under the Lease including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of the Lease or by law or in equity, and (v) the right to do any and all things whatsoever which Assignor is or may become entitled to do under the Lease; but excluding in all cases the Excluded Rights and Excluded Payments.

(b) For the purposes of this Assignment, the Note(s), the Note Purchase Agreement, the Security Agreement and all of the other documents, agreements and instruments entered into in connection herewith and therewith (collectively, together with any amendments or modifications thereto the "Loan Documents"), the term "Excluded Rights and Excluded Payments" shall mean any and all of the following:

(1) all payments of any indemnity under the Lease or any of the other documents, instruments or agreements entered into in connection therewith (collectively, the "Operative Agreements"), and all interest in respect thereof, which by the terms thereof are payable to Assignor (but not those payable to Assignee as an additional indemnitee);

(2) any insurance proceeds payable under public liability policies maintained by the Lessee pursuant to the Lease which by the terms of such policies or by the terms of the Lease are payable directly to Assignor (but not those payable to Assignee as an additional indemnitee), and, absent an Event of Default, or an event which with notice or the passage of time, or both, would become an Event of Default, any proceeds of insurance maintained with respect to the Equipment by Assignor in excess of the amount due to Secured Party calculated pursuant to Sections 4.4(a)(ii) and (iii) of the Note Purchase Agreement;

(3) all rights of Assignor under any Operative Agreement to demand, collect, sue for or otherwise obtain all amounts from the Lessee due Assignor all on account of any such indemnities or payments referred to in subparagraph (1) above and to seek legal or equitable remedies to require the Lessee to maintain the insurance coverage referred to in subparagraph (2) above, provided that the rights referred to in this subparagraph (3) shall not be deemed to include the exercise of any remedies provided for in the Lease other than the right to proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of such indemnities or insurance covenants or to recover damages for the breach thereof; and

(4) the right of Assignor, but not to the exclusion of Assignee, as provided in any Operative Agreement (i) to receive from the Lessee notices, certificates and other documents and information which the Lessee is required or permitted to give or furnish to Assignor pursuant thereto, (ii) to inspect the Equipment and all records relating thereto, and (iii) to grant such consents, approvals and waivers as may be required or permitted to be made or given by Assignor under the Operative Agreements.

2. Lease Obligations of Assignor. This Assignment is executed as collateral security, and the execution and delivery hereof shall not in any way impair or diminish the obligations of Assignor under the provisions of the Lease nor shall any of the obligations contained in the Lease be imposed upon Assignee. Upon the payment of the principal of and premium, if any, and all accrued interest on the Note(s) and of all other sums payable on the Note(s) and under the Note Purchase Agreement, the Security Agreement and this Assignment and the performance and observance of the provisions thereof, this Assignment and all rights herein assigned to Assignee shall cease and terminate and all of the estate, right, title and interest of Assignor in and to the above-described assigned property shall revert to Assignor, and Assignee shall, at the request of Assignor, deliver to Assignor an instrument in a form proper for recording with the Surface Transportation Board ("STB") Registry, pursuant to the Interstate Commerce Act, as amended (the "Act"), canceling this Assignment together with all other releases, filings and all other documents and instruments reasonably requested by Assignor evidencing the cancellation of this Assignment.

3. Lease Notices to Assignee. Assignor hereby directs the Lessee to deliver to Assignee at its address set forth above or at such other address as Assignee shall have designated in writing to the Lessee, duplicate original copies of all such notices, offers, undertakings, demands, statements, documents and other communications.

4. Pledge. Assignor herewith pledges and delivers to and deposits with Assignee the original executed chattel paper counterpart of the Lease as provided under the Security Agreement for the payment of the principal of, premium, if any, interest and all other sums payable on the Note(s), and of all other sums payable under the Note Purchase Agreement, the Security Agreement and this Assignment, and the performance and observance of the provisions thereof.

5. Lease in Effect. Assignor represents to Assignee that the Lease is in full force and effect as to Assignor, without further amendment or modification. Assignor represents to Assignee that Assignor has not executed any other security agreement or assignment of the subject matter of this Assignment other than the Security Agreement.

6. No Inconsistent Action. Assignor agrees that this Assignment and the designation and direction to the Lessee hereinabove set forth are irrevocable and that it will not, while this Assignment is in effect or thereafter until the Lessee has received from Assignee written notice of the termination thereof (which Assignee shall provide at such time as the Note(s) and all other obligations secured by the Loan Documents, have been paid and satisfied in full), take any action under the Lease or otherwise which is inconsistent with this Assignment, or make any other mortgage and assignment, designation or direction inconsistent therewith, and that any attempted mortgage and assignment, designation or direction inconsistent therewith shall be void. Assignor will, from time to time, upon the request of Assignee, execute all instruments of further assurance and all such supplemental instruments as Assignee may reasonably specify.

7. Subleases. This Assignment shall extend to and include all permitted subleases and amounts payable thereunder.

8. Representations and Warranties. Assignor represents and warrants to Assignee as follows:

(a) Assignor (i) is a limited partnership duly organized, validly existing and in good standing under the laws of the state of California; (ii) is duly qualified to do business under the laws of those states where the failure to be so qualified would have a material adverse effect upon this Assignment or the ability of Assignor to perform its obligations hereunder; and (iii) has full power, authority and legal right to acquire, own and give a lien on, and security interest in, the Equipment, as defined in the Security Agreement, to execute and deliver the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and all related UCC Financing Statements and/or filings under the Act with the STB, and to perform and observe the terms and provisions of such instruments.

(b) Neither the execution, delivery nor performance of the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment or any related UCC Financing Statement and/or filings under the Act with the STB by Assignor (i) conflicts with, or results in a breach of, or constitutes or will constitute a default under (A) the Certificate of Limited Partnership or Agreement of Limited Partnership, or (B) any applicable law, rule or regulation, or (C) any judgment, order, writ, injunction, decree or decision of any court, governmental authority or arbitrator to which Assignor is a party or by which it is bound, or (D) any license, permit, agreement or instrument to which Assignor is a party or by which it is bound, or (ii) results or will result in the creation or imposition of any lien, charge or encumbrance upon the Equipment the Lease (or the rents accruing thereunder), except the lien and security interest created, and as permitted, by the Security Agreement and this Assignment and except for the Lessee's rights under the Lease.

(c) The Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and all related UCC Financing Statements and/or filings under the Act with the STB have been duly authorized, executed and delivered, for good and valuable consideration, by Assignor and constitute the legal, valid and binding obligations of Assignor, enforceable against Assignor, and against the security referred to in the Security Agreement, this Assignment and all related UCC Financing Statements and/or filings under the Act with the STB, in accordance with their respective terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(d) There is no litigation, action, suit or proceeding pending, or to the knowledge of Assignor threatened, against or affecting Assignor before any court, administrative body or other agency which, if adversely determined, would result in a material and adverse change in the business or financial condition of Assignor or impair its capacity to comply with the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and any related UCC Financing Statements and/or filings under the Act with the STB.

(e) Except for the filings with the STB and the filing of the UCC Financing Statements, no consent, authorization or approval of, or registration, declaration or filing with, any governmental authority of the United States of America or the State of California, is necessary in connection with the execution, delivery and performance by Assignor of the Note Purchase Agreement, the Note(s), the Security Agreement, the Lease, this Assignment and any related UCC Financing Statements and/or filings under the Act with the STB.

(f) Assignor has received no payments pursuant to the Lease, including, but not limited to, rent in advance of the due date thereof, but has received Interim Rent, if any, and rent payments due and payable on dates prior to the date hereof.

(g) No event has occurred or is continuing which would constitute a default or Event of Default under the Note Purchase Agreement, the Note(s), the Security Agreement or, to Assignor's knowledge, an Event of Default under the Lease or would constitute such a default, Event of Default or an Event of Default but for the requirement that notice be given or that a period of time elapse, or both.

9. No Amendment of Lease. Except to the extent relating to any Excluded Rights or Excluded Payments, Assignor will not enter into any agreement subordinating, terminating, amending, modifying or supplementing the Lease without the consent thereto in writing of Assignee and any such attempted subordination, termination, amendment, modification or supplement without such consent shall be void. In the event that the Lease shall be amended, modified or supplemented as herein permitted, the Lease as so amended, modified or supplemented shall continue to be subject to the provisions of this Assignment without the necessity of any further act by any of the parties hereto.

10. Other Security. Assignee may resort for the payment of the Note(s) and all other amounts secured by this Assignment, or any part thereof, to any other security therefor held by Assignee in such order and manner as Assignee may elect.

11. Non-Recourse. Notwithstanding any provision of the Loan Documents to the contrary, the Obligations shall be satisfied solely out of the Collateral (as defined in the Loan Documents). Without limiting the generality of the foregoing, Assignor shall have no liability to make any payments under this Assignment, the Note(s), or any of the other Loan Documents whatsoever except from the Collateral. This paragraph shall not apply to Assignor's obligations under Sections 1.4 and 4.2 of the Note Purchase Agreement, to moneys received by Assignor contrary to the provisions of any of the Loan Documents <sup>or</sup> to a judgment based upon a finding of fraud or material misrepresentation on the part of Assignor, ~~or to the Assignor's obligations to make any of the filings referred to in Section 15 of the Lease.~~

12. Wisconsin Law. This Assignment shall be deemed delivered in the State of Wisconsin and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Wisconsin.

13. Invalidity. If any provision of this Assignment or any application thereof shall be invalid or unenforceable, the remainder thereof and any other application of such provision shall not be affected thereby.

14. Successors and Assigns. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

15. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Loan Documents and the Lease.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed, as of the day and year first above written.

DEBTOR:

ATEL CASH DISTRIBUTION Fund VI, L.P.  
a California limited partnership

By: ATEL FINANCIAL CORPORATION  
a California corporation, its  
general partner

By:  (SEAL)

Name: Dean Cash

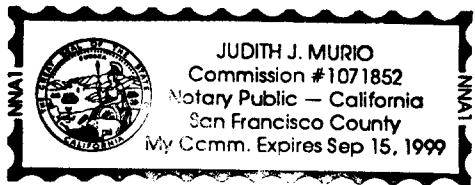
Title: Executive Vice President

[Acknowledgment Page Follows]

COUNTY OF SAN FRANCISCO )  
 ) SS  
STATE OF CALIFORNIA )

On this 16<sup>th</sup> day of April, 1996, personally appeared Dean Cash, known to me to be the E.V.P. of ATEL FINANCIAL CORPORATION, a California corporation, the party named in and executing the foregoing instrument as general partner of ATEL CASH DISTRIBUTION Fund VI, L.P., a California limited partnership, who did depose, say and acknowledge, on his oath, that said corporation executed said instrument as such general partner of said limited partnership; that he, being informed of the contents of said instrument, signed and sealed said instrument and that he executed the same in the name and on behalf of said corporation as such general partner of said limited partnership by order, authority and resolution of its Board of Directors and said limited partnership, respectively, and that he signed his name thereto by like order; that he executed the same as, and said instrument is, his free and voluntary act and deed and the free and voluntary act and deed of said corporation and limited partnership for the consideration, uses and purposes therein set forth and expressed.

WITNESS my hand and official seal.



Judith J. Murio  
Notary Public, San Francisco County  
State of California  
My commission: 9.15.99



**EXHIBIT A**

**DESCRIPTION OF EQUIPMENT**

<b>Type</b>	<b>Builder</b>	<b>Quantity</b>	<b>Lessee's Identification Numbers (Inclusive)</b>
3000 H.P. Model SD40-2 Diesel Electric Locomotives	General Motors Corporation (Electro- Motive Division)	63	CR 6441-CR 6503